Reserve
1.956
A2M584

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
INFORMATION BRANCH
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY March 2, 1949

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Walter W. John, Chief, Information Branch, Production and Marketing Administration, Midwest Area

LIBRARY
CURRENT SERIAL RECORD
AUG 27 1951
U.S. DEPARTMENT OF AGRICULTURE

Walter W. John

LIVESTOCK BRANCH

Livestock branch reports show that a total of 88,894,000 head of livestock was marketed at 84 public markets in 1948. Chicago continued to be the world's No. 1 livestock market with total receipts of 6,111,000 and and Omaha was second with 5,260,000. The other 8 markets among the nation's top 10 were, in order of total receipts of cattle, calves, hogs, sheep, and lambs; National Stock Yards (E. St. Louis), S. St. Paul, Denver, Kansas City, Sioux City, Fort Worth, St. Joseph, and Indianapolis.

Chicago heads the list in numbers of cattle and hogs received last year. South St. Paul is first in calves, and Denver is No. 1 in sheep and lambs.

Bureau of Agricultural Economics estimated that commercial livestock slaughter in the U. S. in 1948 totaled 107,456,900 head. More than 77 per cent of this total were slaughtered under Federal inspection.

Meat production under Federal inspection has been running rather consistently ahead of 1948 during the first 8 weeks of this year. The total slaughter last week was 3 per cent over the same week in 1948.

Total number of livestock on farms on January 1 this year was slightly larger than the number on January 1, 1948. Slight increases were noted in cattle and hogs with sheep numbers continuing their downward trend. The number of milk cows also was smaller as well as horse and mule population.

MARKET NEWS SERVICE

The Federal Market News Service now uses more than 10,000 miles of transmission lines for its rapid and effective distribution of reports on every variety of agricultural commodity. It functions through 103-year round and 43 seasonal offices, and furnishes accurate and reliable information on quantities and prices of agricultural products to farmers, buyers, the trade, consumers and others.

GRAIN BRANCH

(*) A series of seven conferences have been arranged by the Office of the PMA Administrator in order to instruct State office and PMA commodity office personnel in new procedure for liquidating loans and handling settlements under purchase agreements for grain. Topics for discussion at the conferences will include 1949 price support programs, warehouse agreements, needs for additional farm storage and administrative problems.

(*) The conferences will be held between March 7 and 29 and will continue for two days in each of the cities designated within areas where loans, purchase agreements and price support programs are in operation on grain.

(*) State committeemen in charge of price support programs, state loan supervisors and personnel in charge of CCC audits in the State offices have been requested to attend.

(*) State representatives have been asked to prepare to discuss with the Administrator's fieldmen the total estimated work volume for the State arising from grain deliveries to CCC, as well as the effect of this work volume upon State personnel and budgets.

(*) Schedule of Meetings:

Kansas City - March 7 and 8, 1949 -- For the States of Colorado, Kansas, Missouri, Nebraska, and Wyoming

Dallas - March 10 and 11, 1949 -- For the States of Texas, Arkansas, Louisiana, New Mexico and Oklahoma.

San Francisco - March 14 and 15, 1949 -- For the States of Arizona, California, Nevada, and Utah

Portland - March 17 and 18, 1949 -- For the States of Idaho, Oregon, and Washington.

Minneapolis - March 21 and 22, 1949 -- For the States of Minnesota, Montana, N. Dakota, S. Dakota, and Wisconsin.

Chicago - March 23 and 24, 1949 - For the States of Illinois, Indiana, Iowa, Michigan, and Ohio

Washington, D. C. - March 28 and 29, 1949 -- For the States in the New York and Atlanta PMA commodity office areas that have grain price support programs in operation.

SHIPPING AND STORAGE BRANCH

The first booking of cargo space for Korea under the ECA program is completed. Two ships are now loading flour and are expected to sail by the end of February. Formerly, ocean transportation for Korean cargo was arranged by the Army.

The availability of ships has increased in recent months. Some time ago, PMA was having considerable difficulty in booking required space. The situation has eased considerably, particularly in the Gulf.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

POULTRY BRANCH

Poultry Branch Director Termohlen appeared last week on a special USDA-Dumont telecast with Maynard Speece, Office of Information television specialist. Mr. Termohlen described and illustrated the advantages of buying eggs on a graded basis, explained in brief the USDA grading program, and toldconsumers that they could anticipate an abundance of eggs through the spring months and generous supplies throughout the year.

Dried egg purchases for price support purposes totalled almost 2,750,000 pounds last week--all being for March delivery. Cancellations amounted to 80,839 pounds, leaving the net total of purchases under the 1949 program at 8,698,070 pounds.

Several representatives of the Poultry Branch attended a meeting at College Park, Maryland, last week of the recently formed Maryland State PMA Poultry Advisory Committee. The Maryland group is the first to be formed since such action was urged in all States by the Office of the Assistant Administrator for Marketing. State Poultry IndustryAdvisory Committees will be expected to keep State PMA Committees informed of poultry problems in each State.

FRUIT AND VEGETABLE BRANCH

As of February 19, slightly under 50 percent of the estimated Florida orange crop remained to be harvested, or 30,325,000 boxes as compared with 28,626,763 boxes at the same time last year. About 40 percent of the estimated grapefruit crop remains for harvesting, or 11,780,000 boxes compared with 18,866,796 boxes a year ago.

Through February 23, "intentions to file claims" under the citrus fruit export program covered 207,850 boxes of oranges and grapefruit, 4,100 gallons of orange and grapefruit concentrate, and 1,885 cases of single strength citrus juices. Cost of the subsidy to the Department has been $137,000.

Purchase of 1948 crop potatoes through February 22 totaled 60,235,757 hundredweight. Of this amount, 2,277,140 hundredweight went to direct distribution; 15,749,573 hundredweight to livestock feed; 26,309,308 hundredweight to alcohol; 313,479 to export; 11,695,165 to flour; 2,790,185 to starch; 761,277 to dehydration; 315,738 to storage; and disposition of 23,892 hundredweight is as yet unreported.

Purchase of 900 hundredweight of 1949 No. 2 grade potatoes was reported in Florida February 22. All went to direct distribution.

Deliveries of potato flour to the Army now total a little over 208.7 million pounds.

(*) Representatives of State PMA committees from Maine, New York, Florida, New Jersey, Virginia, North Carolina, Minnesota, North Dakota, Colorado, Idaho, California, Washington, Texas, and Nebraska met last week in Washington to develop a formula for distribution of the national potato acreage goal among States for 1950.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

FOOD DISTRIBUTION PROGRAMS BRANCH

Chiefs of the school lunch sections in the five area FDPB offices held a meeting last week in Washington with Branch officials to discuss programs, plans, and policies for school lunch program next year. Area FDPB supervisors will meet in Washington this week.

The March Nutrition News Letter carries a report on the conference of garden leaders in Washington last month. The conference, the report indicates, emphasized that both school and community gardens are of special value to workers in school lunch programs. The March letter also carries articles on food preservation for school lunch kitchens and the plentiful foods program, as well as news of State Nutrition Committees in Virginia, West Virginia, andPennsylvania.

DAIRY BRANCH

(*) Butter prices have been holding firm at a level 3 to 5 cents above the support price at midwestern and eastern terminal markets, making butter purchases for support action unnecessary to date.

(*) The Branch has been studying the sharp declines in prices of milk for manufacturing purposes from the standpoint of needed support actions. Present legislation requires support of farm prices of milk and butterfat at 90 percent of parity. The average price of milk for fluid uses has remained above the parity level, while the price of milk for manufacturing uses has dropped well below. But parity as now computed and published, represents the U. S. average price of all milk at wholesale, including milk sold by farmers for both manufacturing and fluid milk purpose.

(*) Present legislation, however, does provide an approach to the manufacturing milk problem. It permits administrative determination of the appropriate support level for manufacturing milk relative to 90 percent of parity.

(*) A number of identical bills have been introduced before Congress which would require the support of manufacturing milk at a price equal to 90 percent of parity for all milk (including milk for manufacturing and fluid uses) as now computed and published byBAE. However, the Department's testimony on the bills pointed out that there normally are differences in prices of milk associated with different uses. It recommended that manufacturing milk should be supported on the basis of a recent relationship at 90 percent of the U. S. parity price of all milk and that the appropriate relation remain subject to administrative determination.

Purchases: Spray nonfat dry milk solids--Out of 8,471,215 pounds offered, USDA last week purchased 1,304,565 pounds for delivery from Minnesota, Wisconsi Michigan, Kansas, Indiana, Vermont and New York, at 11.25 to 12.00 cents per pound.

(more)

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

DAIRY BRANCH (Continued)

Roller nonfat dry milk solids--Out of 4,529,350 pounds offered, USDA last week purchased 270,000 pounds packed in barrels and drums for delivery from Minnesota at 10 cents per pound. The cost of this powder to USDA delivered to the port of export is 10.8736 to 10.9240 cents per pound. All other offers were rejected on account of price.

COMPLIANCE AND INVESTIGATION

Fines totaling $200 were imposed on Carl Lieberman and George L. Bratton, of American Soap Products Company, Detroit, Mich., following the entry of pleas of guilty to an indictment charging violations of WFO 42b (fats and oils in soap). Fine of $500 was imposed on Louis H. Jay, salesman for Cleveland Soap Manufacturing Company of Cleveland, Ohio, (a co-defendant in this case) on April 6, 1948.

Reserve
1.956
A2M584

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY

March 9, 1949

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Walter W. John, Chief, Information Branch, Production and Marketing Administration, Midwest Area

AUG 1 1 1951

Walter W. John

GRAIN BRANCH TRAINING SCHOOLS

Hazen P. English, field supervisor of the Grain Branch Inspection and Grading office here reports that his office is cooperating in conducting two training schools this week and next in connection with grain inspection. An advance inspectors' course is being given for grain inspectors in Illinois in cooperation with the Illinois Civil Service Commission. Fourteen inspectors are taking this course. In the other course, nineteen samplers for the state inspection service are being given two weeks training in their work.

These courses were first offered last year and probably will be continued on an annual basis. The Grain Branch offers the courses whenever called upon to do so by the Illinois Civil Service people.

English Floyd of the Grain Branch office is in charge of the two courses.

FRUIT AND VEGETABLE CONFERENCE

About twenty shipping point inspectors for fresh fruits and vegetables in the large area served by Neal Sanborn's office here will meet in Chicago, March 10, 11, and 12, for a discussion of problems in connection with their activities. E. E. Conklin, Robert Bier, and R. R. Pailthorp of the Washington office will be here for the conference. A similar conference was held in Washington the first three days of this week.

DAIRY BRANCH

(*) Increased interest is noted relative to expanding the areas of market regulation. With surpluses of manufactured dairy products accumulating--and prices falling--the Branch is receiving more requests from areas wishing to establish Federal orders to regulate the handling of milk in their markets.

(*) Thirty milk marketing areas now have Federal orders in operation under the supervision of the Branch. Three additional areas have held public hearings to consider the establishment of Federal orders in their respective markets, while about 15 other areas have requested public hearing. Branch officials state, however, that the Branch does not have enough supervisory personnel to handle more of this work. Thus, the likelihood of new orders rests largely on the ability of the Branch to provide additional supervisors.

DAIRY PRODUCTS PURCHASES:

Spray nonfat dry milk solids: Out of 14,151,535 pounds offered, USDA last week purchased 9,185,740 pounds packed in barrels and drums at prices ranging from 11.50 to 12.48 cents per pound, f.o.b. Indiana, Wisconsin, Minnesota, Iowa, Vermont, New York, Kansas, Pennsylvania and California points. Calculated cost of this milk delivered to the ports of export is 12.2314 to 12.9360 cents per pound.

Roller nonfat dry milk solids: Out of 5,469,900 pounds offered, USDA last week purchased 1,875,650 pounds packed in barrels and drums at 9.70 to 10.50 cents per pound, f.o.b. Minnesota, Wisconsin, Ohio, Michigan, Illinois, Maryland, New York and Vermont. Calculated cost of this milk delivered to the ports of export is 10.318 to 10.924 cents per pound.

Evaporated milk: Out of 621,250 cases offered, USDA purchases on February 25, 55,000 cases at $4.45 per case, f.o.b. a Wisconsin point. The calculated cost of this milk delivered to port of export was $4.8621 per case and the calculated cost delivered to Trieste is $5.5130 per case. This purchase completed the Department's announced purchase program for this commodity.

Spray process nonhygroscopic dry whey solids: All offerings were rejected on February 25 on account of price. This action completed the Department's purchase program for this commodity.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

POULTRY BRANCH

Alvin D. Oderkirk, Assistant Chief of the Research Division of the Poultry Branch has resigned his position to become manager of about 60 farms, comprising more than 13,000 acres in the locality of DeKalb, Illinois. Mr. Oderkirk joined the Poultry Branch staff about 13 months ago. After two months here, he was sent to the field to spearhead the Branch's research project on the marketing of eggs in the Midwest states and was given full-time assignment in Washington last September. He also was in charge of the Midwest field office for several months.

BAE's Hatchery Report of March 15 is expected to show some hint of the actual trend in laying flock replacements for 1949. This trend should be fairly well established by the time the April report is issued.

Meantime, Branch Director Termohlen has instructed his staff to watch these developments closely so that, in the event of indicated over-production, the Branch can advise producers to apply the brakes.

Mr. Termohlen will attend initial meetings of State Poultry Advisory groups now being set up in Colorado, Utah, California, Texas, Mississippi, Arkansas, and Tennessee, by PMA Committees of these States. With such groups now being organized in many States, additional meetings may be added to those Mr. Termohlen is now scheduled to attend before he completes the circuit of the field trip which took him out of Washington this week.

FRUIT AND VEGETABLE BRANCH

Prices on both Florida orange and grapefruit have advanced.

Florida celery movement is good.

The first of the south Texas onions are expected to move around April 1.

Purchase of 1948 potatoes through March 3 totaled 62,433,650 hundredweight. Of this amount, 2,291,773 hundredweight went to direct distribution; 16,651,503 to livestock feed; 27,116,885 to alcohol; 316,850 to export; 11,926,680 to flour; 3,067,560 to starch; 761,277 to dehydration; 255,213 to storage; and disposition of 45,909 hundredweight is as yet unreported.

Purchase of 1949 crop potatoes (all U. S. No. 2's, all in Florida) through March 1 totaled 10,300 hundredweight. All went to direct distribution.

Through March 2 "intentions to file claims" under the citrus fruit export program covered 247,238 boxes of oranges and grapefruit, 4,100 gallons of orange and grapefruit concentrate, and 5,965 cases of single-strength citrus juices. Cost of this subsidy to the Department would be $237,545.

FOOD DISTRIBUTION PROGRAMS BRANCH

Recent figures supplied the Branch indicate that participation in the National School Lunch Program during the fall months of 1948 was, on the average, from 10 to 12 percent greater than during the same period of 1947. Estimated participation for November 1948 -- latest period for which figures are available -- was about 6.5 million children in 47,000 schools.

Food included on the April plentiful foods list, issued by the Branch last week include: carrots, onions, cabbage, Irish potatoes, spinach, canned corn, canned peas (lower grades), oranges, canned citrus juices and grapefruit sections, dried prunes and raisins, broilers and fryers (East of the Mississippi), eggs, dairy products (processed), dried beans and peas, peanut butter, fish (fresh and frozen), oatmeal, corn products, and honey. Carrots and oatmeal should be given special stress.

SUGAR BRANCH

Informal hearings were conducted by the Branch last week in San Juan, Puerto Rico, with industry representatives to discuss methods for establishing proportionate shares concerning the 1949-50 sugar crop.

The Branch reports a firming up of the sugar market during the past few days although this trend has begun to slack off.

FATS AND OILS BRANCH

The Branch reports CCC purchases within the past several days of about 95 tank cars of crude cottonseed oil. During the past few weeks about 700 cars of crude soybean oil have been purchased under the supply program. The Branch also reports acquisition of a cumulative total of slightly more than 7 million bushels of soybeans under the procurement program.

MARKETING FACILITIES BRANCH

The Interstate Commerce Commission reopened hearings in Washington last week in Ex Parte 168 to determine whether or not the railroads should be allowed to increase freight rates the 13 percent for which they petitioned. On January 11, the reailroads were allowed temporary increases of 4,5, and 6 percent-- depending upon the origin of the freight. Branch will present witnesses and verified statements in this hearing, which is the first of several regional hearings to be held during the next few weeks.

A new central produce market for Raleigh, N. C., will be proposed to local interested groups in a public meeting at the Raleigh City Hall, Tuesday, March 8, at 10:00 a.m. The preliminary report recommends a new market consisting of eight wholesale stores and 40 farmer and trucker stalls. It would occupy about 10 acres. The study was requested by the Chamber of Commerce, City Council and the State Department of Agriculture.

GRAIN BRANCH

(*) PMA committeemen from 14 States representing the principal wheat-growing areas and other sections of the U. S., met with Grain Branch and other PMA officials in Washington last week to discuss prospective problems in connection with the possible establishment of wheat marketing quotas and acreage allotments in 1949 as indicated by the supply situation.

(*) Subjects discussed and recommendations made concerned the proclamation of allotments and quotas, credits for wheat acreage diverted to war crops, the uses of diverted acreage, normal yields, farm acreage allotments, measuring of wheat acreage, notifying farmers of allotments, minimum acreage, wheat for hay or cover crops, rate of penalty for excess wheat and other administrative problems in connection with the establishements of quotas and acreage allotments.

(*) Committeemen agreed in general that in establishing farm acreage allotments, wheat acreages for 1947 and 1948 should be used, except in those areas where a longer period would be required in order to determine equitable acreages for farms.

(*) Committeemen also agreed that once allotments are established, wheat acreage should be measured on farms to determine compliance.

(*) In a work schedule presented to the State committeemen, it was pointed out that allotments, if made, must be established and notices mailed to farmers by July 1, 1949.

COTTON BRANCH

The most notable recent development in the world cotton situation is the substantial downward revision in production estimates for the 1948-49 crop in several of the leading cotton growing countries, as reported by International Cotton Advisory Committee. Total world production for the current season is now believed unlikely to exceed 29,000,000 bales, against earlier estimates of about 29,500,000 bales. Earlier production estimates have been revised downward for the Indian Union, the Soviet Union, Brazil and Paraguay. There is little additional information available on prospective plantings of cotton in 1949-50. An increase in acreage is expected in the United States, and in Egypt announcement has been made of an increase in the area of cotton that may legally be planted in 1949.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

Reserve
1.956
A2M584

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY

March 16, 1949

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Walter W. John, Chief, Information Branch, Production and Marketing Administration, Midwest Area

LIBRARY
CURRENT SERIAL RECORD
AUG 27 1951

Walter W. John

MEAT INSPECTION

Although meat inspection is not a part of PMA activities, we thought you would be interested in some items about that work in Chicago because it is fairly closely related to some of our own functions.

The BAI Meat Inspection Division here is employing six Polish veterinarians. Because of the shortage of veterinarians in this country for this type of work, the Department was given permission to hire men from other countries. Five of them are natives of Poland and speak very little English, but apparently are doing a good job.

The sixth - Dr. Peter Hlatky, - was born in this country and therefore is an American citizen, but was taken to Poland when he was very young. Speaking at a regular meeting of the Chicago USDA Club last week, he told of some of his experiences in a German labor camp during the war and of his gratitude for finding work in this country when he came here seventeen months ago. Another guest at our USDA Club was Dr. Don Amarasingho a native of Ceylon, who was sent over to this country by his government to study our meat inspection methods. He had been employed here for nine months before returning to his native country late last week.

A party of five Danish visitors will be in Chicago next week to take a look at the meat packing industry here. They will spend one day with meat inspection people. They are here on about a three months' trip sponsored by the Economic Cooperation Administration under the technical assistance program of ECA. They represent the management, supervisory, technical, and working personnel of the meat packing industry in Denmark.

LIVESTOCK BRANCH

Will J. Morgan, a chemist for the Insecticide Division in Washington, died at his home last Saturday. Mr. Morgan had been a chemist in the Department of Agriculture for 42 years. He was born in England in 1880, but received most of his education in Iowa.

GRAIN BRANCH

(*) Work is nearly completed on operation details of price support programs for 1949 crop grain, including wheat, rye, barley, oats, grain sorghums, and dry edible peas. PMA wants to announce the programs early this year so that farmers may know as far as possible in advance of production what to expect in the way of price support. In general, the programs will be implemented by loans and purchase agreements, and will be available from time of harvest through dates which will be specified for various crops.

Commercial production of farm storage bins will step up this month when steel allocated by manufacturers for farm-type grain bins in delivered to bin manufacturers. Completion of this phase of the storage program will put an additional 100 million bushels of grain storage capacity on the farms. However, capacity much greater than this is needed, and it is hoped that farmers will increase structures to care for the big grain supplies expected this year. Meanwhile, there are no new developments to report on whatever storage program may be undertaken by PMA.

(*) Next week we expect to resume issuance of monthly grain export press releases, and to show CCC grain procurement against allocations and exports. A report about March 15 will cover the January-February situation, with cumulative figures since the beginning of the 1948-49 season last July. We have been putting out quarterly reports on exports, but currently renewed press interest in the subject suggests the advisability of issuing monthly figures.

TOBACCO BRANCH

(*) Representatives of Tobacco Associations and State PMA Committees have been invited to meetings to be held at Washington, March 16 and 17 to discuss and obtain recommendations on: (1) Schedules of sales prices of 1948 Burley tobacco loan stocks, (2) proposed amendments to the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938, as amended, and, (3) proposed amendments to the Tobacco Inspection Act. The State Committees invited are those in Florida, Georgia, Indiana, Ohio, Kentucky, Missouri, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia.

(*) The discussions on Wednesday, March 16, will deal with sales prices for the 1948 Burley crop acquired by the four Burley associations under the Department's price support program. Discussions will be confined largely to a detailed analysis of the crop, grade by grade, and discussions of the desirability of various grades by buyers, and other technical aspects of setting prices.

(*) The March 17 discussions will deal with proposed amendments to tobacco marketing quota provisions and the Tobacco Inspection Act. Proposed amendments to the latter act relate primarily to the assignment of inspectors to new markets, as well as the assignment of additional inspectors to existing markets. Proposed amendments to the marketing quota provisions of the Agricultural AdjustmentAct relate primarily to repeal of provisions which are no longer applicable, clarification of questionable provisions, and minimum farm acreage allotments.

(*) Contents of starred paragraphs should not be used in any statments to public or trade.

POULTRY BRANCH

Radio talks over three Jackson, Miss., stations will be given on March 25 by W. D. Termohlen, Branch Director, and Harry Wise, Branch Representative of the Atlanta office. Mr. Termohlen will discuss the rapidly expanding broiler industry in the locality of Jackson. Mr. Wise will talk about the new Dairy and Poultry Market News Service recently established at Jackson for the State.

Both men will be in Jackson on the above date to meet with the poultry advisory committee which has been organized to work with the State PMA Committee of Mississippi. Mr. Termohlen, when he arrives at Jackson, will be on the last leg of his present field trip, on which he has been attending the initial meetings of several such advisory groups in various States.

Conferences in continuation of the work of developing greater uniformity in poultry and egg standards and grades as between theUnited States and Canada were held early this month by Poultry Branch representatives and officials of the Canadian Department of Agriculture, at Ottawa, Ontario. The conference reviewed existing and proposed revisions of standards, grades and sanitary requirements for live, dressed and eviscerated or ready-to-cook poultry. Elimination of class terms of broilers and fowl and classes for chicken stags and turkey fryers was advised. The advisability of combining both sexes in classifying young turkeys and in continuing standards and grades for guinea pigs and squabs was discussed.

Definite preference for "A", "B", and "C" quality and grade terminology for poultry and eggs was expressed by representatives of both countries. Canadian representatives explained that such terms are acceptable to trade representatives in Canada, while USDA representatives pointed out that there is preference among some trade segments in the United States for "name" terminology, such as "prime," "choice," etc.

USDA representatives at the conference agreed to the desirability of modifying standard and grade specifications under the headings of conformation, fleshing, fat, or finish, pin feathers, skin discoloration, dressing defects and freezer defects on a basis more nearly in keeping with the organization of specifications in Canadian standards and grades. Initial work on reorganization of USDA specifications will be undertaken by A. W. Otte of the Poultry Branch and E. D. Bonnyman of the Canadian Department of Agriculture, who is expected in Washington in April.

FATS AND OILS BRANCH

(*) Early reports indicate that "lots of flaxseed" will be planted this year despite lower price supports for the 1949 crop. California acreage will be up; Texas acreage also may be greater than last year's. Meanwhile, the CCC has about 22 million bushels of flaxseed and 175 million pounds of oil from the 1948 crop. This works out to an equivalent of about 600 million pounds of oil. There is a possibility, however, that CCC stocks will be worked down when prices get onto a new-crop basis this summer. There is big foreign need for linseed oil, but foreign buyers are not interested in the U.S. product as long as oil can be bought elsewhere for less money.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

FATS AND OILS BRANCH (Con't)

(*) Purchases of soybeans for export this season, through March 9, totaled 8.4 million bushels. This brings purchases close to requisitions received to date from the Army, but additional orders may be forthcoming soon.

COTTON RANCH

(*) Cotton redemptions exceeded the quantity put under loan during the last week of record (week ended March 3), and net stocks of loan cotton declined for the first time this season. About 4,360,800 bales were reported under loan on March 3.

New crop preparations became more general throughout the Belt this week, with moisture conditions reported good in practically all sections. Planting is progressing in the Corpus Christi-Rio Grande Valley area; some cotton in this area was reported up.

The rebound of spot cotton prices from the low of 31.76 cents on February 8 to the current price level has been one of the outstanding features of commodity markets during the past month. Spot prices are about 2 cents above the 1948 average loan rate.

FRUIT AND VEGETABLE BRANCH

Through March 8, purchases of 1948 crop potatoes totaled 64,584,478 hundredweight. Of this amount 2,323,789 hundredweight went to direct distribution; 17,464,319 to livestock feed; 27,803,725 to alcohol; 317,594 to export; 12,664,797 to flour; 2,962,729 to starch; 761,277 to dehydration; 237,532 to storage; and disposition of 48,716 hundredweight is as yet unreported.

Purchases of 1949 crop potatoes through March 8 totaled 26,415 hundredweight, all U. S. No. 2's, purchased in Florida. Of this amount 4,100 hundredweight went to livestock feed and 22,315 hundredweight for school lunch programs.

Through March 5, deliveries of potato flour totaled 228 million pounds.

During the first six months of the current fiscal year, about 1,350 new complaints were filed under the Perishable Agricultural Commodities Act. Amicable settlement of 571 cases was effected, resulting in payments of $365,683.

MARKETING RESEARCH BRANCH

The Marketing Research Branch is beginning discussions with State departments of agriculture on programs for the 1950-fiscal year. Leighton G. Foster, who is in charge of the Federal-State program, was in New York State last week for conferences with State agricultural officials about the 1950 work. New York's fiscal year begins April 1. Current projects in New York involve the collection of new basic data on farm production and marketing and the development of the State's market information program. In both of these projects, the State is collecting information along regional, county, andlocal lines.

(*) Contentsof starred paragraphs should not be used in any statements to public or trade.

MARKETING RESEARCH BRANCH (Con't)

Two weeks ago Foster was in Raleigh, N. C., where he discussed current Federal-State marketing service work and plans for 1950 with State officials. During the past year North Carolina's principal achievements under the program have concenred the handling of surplus sweet potatoes and improvements in cotton ginning.

Additional conferences with officials of the other 21 States participating in the program will be held in late spring and early summer. Fiscal years of most states begin July 1.

DAILY BRANCH

(*) Definite agreement has been reached to the effect that butter purchases under the current butterfat support program will be made by the PMA Commodity Offices in the field. Branch officials state that as soon as details can be worked out, the purchase announcement DA-64 will be amended for the purpose of advising the trade that offers will be received by the Commodity Offices in the areas where the butter is located.

DAIRY PRODUCTS PURCHASES:

Spray nonfat dry milk solids: Out of 10,715,645 pounds offered, the Department last week purchased 7,131,920 pounds, packed in barrels and drums, at prices ranging from 11.82 to 12.35 cents per pound, f.o.b. Minnesota, Kansas, Iowa, Wisconsin, Ohio, New York, and Missouri points. The calculated cost of this milk delivered to the ports of export is 12.7314 to 12.9360 cents per pound.

Roller nonfat dry milk solids: Out of 6,567,850 pounds offered, the Department last week purchased 6,038,350 pounds, packed in barrels and drums, at 9.75 to 10.50 cents per pound, f.o.b. Minnesota, Wisconsin, Iowa, New York, Illinois, Indiana, Vermont, Michigan and Ohio points. The calculated price of the milk delivered to the ports of export is 10.3816 to 11.1360 cents per pound.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

Reserve
1.956
A2M584

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY

March 21, 1949

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Walter W. John, Chief, Information Branch, Production and Marketing Administration, Midwest Area

LIBRARY
CURRENT SERIAL RECORD
AUG 27 1951
U.S. DEPARTMENT OF AGRICULTURE

Walter W. John

GRAIN BRANCH

A series of conferences in the field, for the purpose of instructing PMA State and commodity office personnel in procedure for liquidating loans and handling settlements under purchase agreements for grain, will end this week. The Minneapolis meeting is being held today and tomorrow and the meeting in Chicago comes up Wednesday and Thursday. Meanwhile, preparations are being made to report on deliveries of grain under price support programs, just as we have been reporting periodically the quantities under loans and purchase agreement.

An open meeting on uniform grain storage agreements will be held in Chicago (Room 380, Board of Trade Building) March 26. Annual renewal dates of agreements are May 31 in southern states, and June 30 in other states. It is expected that some warehousemen will request increased rates and at least a continuation of the surcharge which was allowed last year because of increased operating costs and insurance.

POULTRY BRANCH

(*) Continued expansion in production of broilers in the major areas has caused the Maryland Poultry Advisory Committee to issue a warning to Maryland producers through the State PMA Chairman. A resolution passed at the initial meeting of the advisory committee stated that "The production of commercial broilers is at an all-time high, and there will be more cockerels from replacements of farm flocks, and because of this all-time high in chick hatchings, we recommend that caution be exercised in the output of broiler chicks during the spring and summer months of 1949."

(*) The Poultry Branch has sent copies of the resolution to each member of the National Poultry Industry Advisory Committee and the National PMA Advisory Committee for consideration. If members of the two national committees feel that the present situation warrants action, the Branch intends to issue a national warning to broiler producers in all areas.

(*) The action taken by the Maryland Poultry Advisory Committee was based on the fact that broiler production is now at least 50 percent heavier than it was at this time last year and indications, based on recent BAE reports, are that marketings late in June and possibly in July will amount to between 6 and 6-1/2 million birds out of the seven major broiler areas (More)

(*) Poultry Branch officials also are concerned over the early hatch indicated for flock replacement purposes. This means the prospect of early marketing of broilers and fryers from general farm flocks in the Midwest, which would reach important volume in July and thus compete with marketings from commercial areas.

(*) The Branch requested members of the two national committees to consider the situation as quickly as possible in order to give the Branch opportunity to warn broiler producers.

Egg purchases - Purchases of dried whole eggs for price support purposes last week again exceeded 4 million pounds. The actual buy was 4,371,042 pounds at $1.26 to $1.28 a pound, depending upon the pack. The dried eggs were for March and April delivery. Less cancellations last week, amounting to 190,875 pounds, the net total buy of dried eggs for the calendar year thus far amounts to 20,175,495 pounds. For May through December, 1948, total purchases of dried whole eggs for price support amounted to 27,986,712 pounds. Disposition of 1948 purchases of dried whole eggs now stands at a total of 7,531,345 pounds, including 6,170,589 pounds donated for Section 32, 1,129,716 pounds sold for export and 231,040 pounds sold to the U. S. Army for relief feeding.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

DAIRY BRANCH

The newly formed PMA Dairy Advisory Committee, composed of State PMA representatives from 13 dairy states, will hold its first meeting in Chicago March 30 and 31. Attending the meeting in addition to the State representatives, will be Branch Director Philip E. Nelson, Assistant Director Don S. Anderson, and other Washington representatives of the Branch.

The first meeting will be chiefly for the purpose of organization, but current problems of the dairy industry will be discussed. The committee was formed to provide greater liaison between the State Committees and the Dairy Branch in formulating price support programs that may become necessary if dairy prices fall to support levels. The States to be represented at the meeting are California, Indiana, Michigan, Minnesota, Missouri, New York, Ohio, Oklahoma, Pennsylvania, Washington, Wisconsin, Vermont, and Virginia.

The new parity equivalentof milk for manufacturing purposes calls for some interpretation. Since it is a "parity equivalent," the actual support level for manufacturing milk is computed as 90 percent of 88-1/2 percent of the current full parity price for all farm milk at wholesale.

DAIRY PRODUCTS PURCHASES:
Roller nonfat dry milk solids: Out of 3,949,653 pounds offered, the Department last week purchased 3,047,653 pounds packed in barrels and drums, at 9.85 to 10.52 cents per pound f.o.b. Minnesota, Wisconsin, Missouri, Iowa, New York, Michigan, Illinois, Ohio, and Vermont points. The calculatedprice of the milk delivered to the ports of export is 10.6316 to 11.331 cents per pound. These prices reflect new transportation rates in effect as of March 20.

(More)

DAIRY BRANCH (Con't)

Spray nonfat dry milk solids: Out of 11,574,525 pounds offered, the Department last week purchased 6,136,350 pounds, packed in barrels and drums, at prices ranging from 11.855 to 12.54 cents per pound f.o.b. Iowa, Wisconsin, Minnesota, Indiana, Idaho, Pennsylvania, Missouri, Vermont, New York and California points. The calculated cost of this milk delivered to the ports of export is 12.6784 to 12.9284 cents per pound.

FOOD DISTRIBUTION PROGRAMS BRANCH

A survey of the acceptability of concentrated orange juice has just been made in 31 schools in Iowa and Illinois. Elementary and secondary, public and parochial, urban and rural schools were among those surveyed. Demonstrations of proper methods of aeration and serving were given. It was found that acceptability was very good when juice was properly chilled and aerated.

The Midwest Area food preservation specialist is working with the State School Lunch Supervisor on plans for operation of a community cannery at Superior, Wisconsin. In 1948 all schools except one in the area used this processing facility. Plans are underway to expand production of fruits and vegetables for school lunch. Indications are that foods to be processed for school lunch probably will be increased by one-third. The area food preservation specialist trained the supervisor of this cannery.

The Western area food preservation specialist reports assisting the personnel of the State prison at Walla Walla, Washington, in canning 21 tons of prunes for distribution to eligible institutions and schools in the State. The excellent facilities at the prison are available for canning other commodities. Very good technical supervision is provided. At the State cannery in Wapato, Washington, the area food preservation specialist has assisted in setting up floor plans for more efficient arrangement of equipment, and improved sanitary conditions. This plant is being remodeled for use by families in the area, as well as for processing price support commodities for school lunch and eligible institutions.

COMPLIANCE AND INVESTIGATION BRANCH

Lindsey Belville, Ironton, Ohio, was found guilty, after trial, on 17 of 20 counts of an indictment charging him with submitting false reports in connection with the tobacco marketing quota program in violation of the Agricultural Adjustment Act of 1938, as amended. He was fined $500 on each count, a total of $8,500, and was placed on probation for a period of 3 years upon condition that he pay the fine of $8,500 within 30 days, and on the further condition that he pay such judgment as may be rendered against him in a case now pending in the United States District Court for the Southern District of Ohio for marketing penalties in the amount of $1,820.90, plus interest and costs.

(more)

COMPLIANCE AND INVESTIGATION BRANCH (Contd.)

Following a verdict of guilty by a jury, Melvin E. Waller, president of Herrett Trucking Company, Sunnyside, Wash., was sentenced to 18 months in a penitentiary and fined $600. Waller was convicted on an indictment charging theft of Government property (potatoes). Execution of sentence and payment of fine were stayed, pending outcome of an appeal which Waller's attorney indicated is to be taken to the Ninth Circuit Court of Appeals.

Francis J. Boushea, owner and operator of the Cold Storage Potato Warehouse Company, East Grand Forks, Minn., and George Fontaine, foreman, A&L Potato Warehouse, were found guilty by a jury after trial of an indictment alleging the presentation of false claims against the United States. On January 15, 1948, Boushea was sentenced to 3 years in prison and fined $2,500. Fontaine received a sentence of one year and one day in prison and motions for an appeal were duly filed by both defendants. Judgment of conviction was affirmed within the past few days by the Eighth Circuit Court of Appeals.

MARKETING FACILITIES BRANCH

Regional hearings on the proposed 13 percent freight rate increase, known as Ex Parte 168, continued in Chicago last week. A Branch representative presented data on transportation of livestock, meat and packing house products in an effort to hold to a minimum any increase in freight rates that might subsequently be authorized in this proceeding.

The Branch reports that, except in the far West, all railroads serving the Cotton Belt have agreed to a uniform transit time limit for cotton of 20 months. The transit time limit is a device to permit the through freight rate to be applied even though the product has stopped several times along the way. Because the export markets were closed to American cotton during the war, the transit time was increased from 12 monthsto 24 months, then to 36 months, and then to 48 months under temporary measures. After the war, the railroads reduced the transit time for cotton back to the normal 12 months. However, the Branch induced the railroads to raise the transit time to 20 months as a permanent arrangement, because of large crops and smaller exports than before the war. The Branch plans meetings soon with certain southwestern roads in an effort to raise the transit time, for cotton to 20 months in that area, also.

SHIPPING AND STORAGE BRANCH

(*) The service order issued by the Interstate Commerce Commission limiting the loading of refrigerator cars in Maine for shipment of potatoes to Publicker Industries, Philadelphia, Pa., has resulted in a sharp decrease in loadings. Permits were secured originally for 150 cars per day and through extensive negotiation it was possible to secure permits for 50 additional cars per day. This was done to assure that no shortage of potatoes would occur at Publicker, largest outlet. However, it has been indicated that more refrigerator cars will be made available for loading in Maine in the next few days.

(more)

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

SHIPPING AND STORAGE BRANCH (Contd.)

* Of the 40,000 tons of dried fruit requisitioned by the British, more than 8,000 tons of raisins and 9,000 tons of prunes have been lifted to date. One thousand tons of raisins are now being loaded on the West Coast. Shipping schedules established by the British callfor completion of the liftings by April 10.

* Instructions are now being prepared for the ordering of protective services on shipments from the entire Atlanta area and the States of Maryland and Delaware during period from April 16 to August 31. Purpose is to avoid sizable transit losses that have occurred in the past in shipments of early and intermediate crop Irish potatoes. The instructions will cover both sacked and bulk potatoes. Services will vary according to outlet and use. Instructions already have been issued setting up a system whereby shortages at warehouses will be reported dailyto the Atlanta office. Such information will be relayed to the State office or origin. A quick method of reporting such shortages is necessary to enable State offices to take action before shippers, who may be loading short, have completed their shipments.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.)

FRUIT AND VEGETABLE BRANCH

United States standards for grades of fruit preserves (or jams) have been revised and became effective March 14, 1949.

The Hastings, Florida,potato area will be shipping in volume by March 26. Reports indicate one of the best crops in years, with growers irrigating in a small way and making extensive use of helicopters for the dusting of blight on vines.

Purchasesof 1948 crop potatoes through March 15 totaled 66,547,211 hundredweight. Of this amount, 2,386,992 hundredweight went to direct distribution; 18,189,116 to livestock feed; 28,131,503 to alcohol; 318,013 to export; 13,374,096 to flour; 3,127,363 to starch; 761,277 to dehydration; 211,729 to storage; and disposition of 47,122 hundredweight is as yet unreported.

Purchases of 1949 crop potatoes through March 15 totaled 41,155 hundredweight of U. S. No. 2's,all in Florida. Of this amount 39,635 hundredweight went to direct distribution and 1,520 hundredweight to livestock feed.

Deliveries of potato flour against the Army's maximum 448 million pound requisition totaled approximately 236 million pounds through March 12.

MARKETING RESEARCH BRANCH

Representatives of the National Wooden Box Association and the United Fresh Fruit and Vegetable Association have been discussing improvement of containers with specialists in the Marketing ResearchBranch. The Branch has been making a study, under the Research and Marketing Act, of containers and carloading methods. It is trying to determine which containers stand up best and which best preserve quality. It is also checking various methods of loading cars to find out the most efficient ways to load.

Reports analyzing data that have been gathered on carload shipmentsof watermelons, cantaloups, peaches and eggs are being prepared by the Branch. Additional information is being collected on carload shipments of celery, cauliflower, lettuce, tomatoes, citrus fruit and beef quarters.

(more)

FATS AND OILS BRANCH

Additional soybeans were bought last week as new requisitions came from the Army, making total purchases this season to date 9.1 million bushels.

COTTON BRANCH

For the second week in succession, repayments of cotton loans exceeded new loans during the week ended March 10. New loans for the week totaled 56,600 bales, whereas repayments totaled 93,100 bales.

Cotton exports were heavy in January, and for the first half of the current season totaled 1,884,000 bales--more than double the volume for the like period a year earlier.

Domestic mill consumption in February was a little larger than had been expected. Continued at the August-February rate, the total for the season would be 8,333,000 bales, compared with 9,354,000 in 1947-48, and 10,025,000 in 1946-47.

* * * *

March 22, 1949

Reserve
1.956
A2M584

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY

March 28, 1949

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Vincent P. Freymann, Acting Chief, Information Branch, Production and Marketing Administration, Midwest Area

LIBRARY
AUG 17 1951

DAIRY BRANCH

A difference in wording between the press release announcing the butterfat support program and the butter purchase announcement Da-64 calls for interpretation in view of the reported conclusion drawn in some quarters that the Department has not made its position clear as to the level at which support will be given.

The Department's intent was clearly revealed in the press release of February 8, which stated that butter of U. S. grade A or higher would be purchased "at 59 cents per pound" for delivery before September 1. Certain trade people, however, are reportedly bothered by the purchase announcement, which stated that butter would be purchased "at not to exceed" the announced support prices. They claim this phraseology indicates that the Department might support butter for less than the announced prices.

In order to dispel this uncertainty, the Dairy Branch is indicating to the trade that this wording simply means that if butter is "offered" at below the support prices, such offers will be accepted. Similarly, the purchase announcement statement that the CCC "reserves the right to accept or reject offers" is not an escape mechanism to avoid support responsibilities. This is the usual wording of purchase announcements and is intended to mean that offers may be rejected if they are not in proper form or in accordance with the terms and conditions of the purchase announcement.

Meanwhile, the Department purchased its first carload of butter last week under the support program.

DAIRY PRODUCTS PURCHASES:

Butter: The Department last week purchased 25,620 pounds of U. S. Grade A butter, packed in fiber boxes, at 59 cents per pound, f.o.b. Minnesota.

Spray Nonfat Dry Milk Solids: Out of 14,798,275 pounds offered, the Department last week purchased 5,055,950 pounds, packed in barrels and drums at prices ranging from 11.855 to 12.00 cents per pound f.o.b. Iowa, Wisconsin, Minnesota, Kansas and Idaho.

(more)

DAIRY PRODUCTS PURCHASES (Continued)

Roller Nonfat Dry Milk Solids: Out of 3,413,200 pounds offered, the Department last week purchased 2,040,300 pounds, packed in barrels and drums, at prices ranging from 9.85 to 10.40 cents per pound, f.o.b. Wisconsin, Minnesota, Iowa, Vermont, and New York.

The Department indicated that since most supplies now being purchased would be moved into storage, acceptance of offers are now on the basis of the lowest cost to the Government, f.o.b. vendor's plant or warehouse, rather than on a basis of calculated costs at ports of export. An announcement relative to this change in purchasing procedure is being prepared and will be forwarded to the trade.

GRAIN BRANCH

(*) If acreage allotments and marketing quotas are proclaimed for 1950 wheat crop, a referendum on the quotas probably would be held between date of issuance of the quota proclamation and July 25, 1949. An amendment to the Agricultural Act of 1948, now before Congress provides for the date and also provides that issuance of such proclamation be made not later than July 1, 1949. In other words, the Act's provisions for 1950 would also apply to 1949. (*) Contents of starred paragraphs should not be used in any statements to public or trade.

The March report on corn loans and purchase agreements through February has been delayed because figures are not yet released for all States. Report may be issued March 28.

The United States has exported nearly 2.2 billion bushels of grain and grain products since July 1, 1945. Breakdown for the postwar period shows:

	Wheat & Flour	Other Grains
	(millions of bushels)	
1945-46	392	62.5
1946-47	397	179.5
1947-48	486	102.0
1948-49 (8 months)	351	106.0
Totals	1,626	450.0

About 70 percent of total exports was procured by PMA.

POULTRY BRANCH

Egg production this year may prove somewhat heavier than it was in 1948. And, consumers will have available as many eggs as they ate last year (382 per capita), and more if they want to buy them.

The "buy" of dried eggs last week for price support purposes amounted to 5,347,539 pounds and cancellations of previous offers totaled 155,520 pounds. This leaves the total buy for the year so far at 25,367,514 pounds--less than 3 million pounds away from the total acquired from May through December last year.

(more)

POULTRY BRANCH (Continued)

The Poultry Branch is now preparing in final form for publication as soon as possible the specifications and weight classes for wholesale grades of shell eggs. These were published under Notice of Rule Making in the Federal Register on Friday, January 28, 1949. The Branch is proceeding with preparation of the final form, since no comments have been received on the specifications and weight classes as published in the Federal Register. Aside from a definition for "refrigerator" eggs, the specifications and weight classes now being prepared in final form are the same as the tentative specifications and weight classes which became effective February 1, 1948.

FATS AND OILS BRANCH

Markets are weak, flirting with new lows. Soybean oil and cottonseed oil sold for 10 cents a pound Thursday. Prime steam lard was 11.62 cents; tallow, Missouri River, 6¼ cents. Soybeans sold on the Chicago cash market for $2.14 a bushel--below the price support level. Linseed oil was quoted at 27 cents a pound, but the actual market was probably lower than that figure. Cottonseed oil sellers say they need 18 cents to break even; Last Thursday, they were asking 10½ cents for a few lots, but are not anxious to sell at that figure. All fats and oils prices are below final wartime ceilings.

FOOD DISTRIBUTION PROGRAMS BRANCH

Branch officials report that through the cooperation of the Common Council for American Unity in New York City, the PMA leaflet on plentiful foods is to be distributed to 900 foreign language publications throughout the United States. Approximately 15,000 copies of the leaflet have been distributed in the last four months, largely at the request of organizations, associations, etc.

Food preservation specialists in the Southwest and Midwest Areas recently have participated in special work shops. The Southwest specialist--at the request of the Arkansas State School lunch supervisor--was a participant in a frozen foods workshop at the Clinton, Ark., cooperative locker plant. Purpose of the workshop was to give patrons and residents of the community the opportunity to inspect products frozen at the plant, and to obtain information on ways to improve quality and flavor. The State supervisor sought to strengthen the food preservation program in this low income area by having families make greater use of both the community cannery and locker plant. The workshop was attended by approximately 200 members of the community, home economics and vocational agriculture teachers and superintendents of schools. In the Midwest area, Hal Bolin, the food preservation specialist, was requested by the State school lunch supervisor of Wisconsin, to assist in conducting workshop conferences at Westby and Ellsworth, Wis. The Westby conference was attended by 556 people, the one at Ellsworth by 319. Demonstrations of freezing were given and talks on the value to the school lunch program of food preservation were given by the county nurse and home demonstration agent. At Westby, the Farmer's Union provided the freezer and refrigerator, and the local REA provided the stove and electrical installations.

(more)

FOOD DISTRIBUTION PROGRAMS BRANCH (Continued)

A "Type A" lunch was served to the audience by the school lunch cooks of the high school at a charge of 35 cents.

FRUIT AND VEGETABLE BRANCH

Popularity of frozen concentrated orange juice is soaring. Production started about three years ago with an initial output of only about 225,000 gallons. This jumped last season to 2,375,000 gallons and is expected to expand this season to between seven or eight million gallons. Most of the production to date has been in Florida, but California processors are now becoming interested.

Through March 23, "intentions to file claims" received under the citrus fruit export program covered 297,794 boxes of oranges and grapefruit, 5,100 gallons of orange and grapefruit juice concentrate, and 8,341 cases of single-strength citrus juices. The subsidy cost of this program to the Department would be $290,800.

Purchases of 1948 crop potatoes through March 22 totaled 68,155,912 hundredweight. Of this amount, 2,429,230 hundredweight went to direct distribution; 18,731,106 hundredweight to livestock feed; 28,288,808 to alcohol; 319,941 to export; 14,189,454 to flour; 3,215,250 to starch; 770,277 to dehydration; 166,845 to storage; and disposition of 45,001 hundredweight is as yet unreported.

Purchases of 1949 crop potatoes through March 22 (all U. S. No. 2's, all purchased in Florida) totaled 56,205 hundredweight. Of this amount 48,935 hundredweight went to direct distribution and 7,270 hundredweight to livestock feed.

MARKETING RESEARCH BRANCH

The Branch received last week a report on California prune marketing problems issued by the Bureau of Markets of the California State Department of Agriculture. The project--conducted by the State Bureau with the cooperation of the Branch under the Research and Marketing Act of 1946--covered the marketing of the 1948 crop. Most of the report concerns the results of a nationwide survey of wholesalers, jobbers and retailers of prunes.

In conducting the project, marketing specialists visited 18 cities throughout the Nation. Executives representing 14,606 chain grocery stores--half of the chain grocers in the country--were interviewed. Jobbers and officials of voluntary organizations selling to at least 18,500 retail stores also were questioned. A large number of retail grocers themselves were asked about prunes, too. However, these retailers represented only a small percentage of the 375,000 independent retailers in the United States.

Dealers were asked why they thought prune consumption had declined. Their replies showed that they believe the prune industry has failed to do an adequate job of selling consumers on prunes. The dealers urged a large-scale prune merchandising program. They also said that high prune prices in 1946-47 contributed to the drop in consumption.

(more)

MARKETING FACILITIES BRANCH

(*) With prospects of a large volume of grain to be transported, and fewer boxcars than last year to handle the traffic, the Branch expects serious car shortages and grain storage difficulties this year as the new crop grain harvest begins. Railroads and shipper's organizations fear considerable trouble in some areas unless grain flows in good volume ahead of harvest.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

* * * *

Reserve
1.956
A2M584

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY

April 11, 1949

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Vincent P. Freymann, Acting Chief, Information Branch, Production and Marketing Administration, Midwest Area

LIBRARY
CURRENT SERIAL RECORD
AUG 27 1951
U. S. DEPARTMENT

GRAIN BRANCH

(*) Early returns indicate that grain exports hit an all-time high in March, with nearly 1,450 long tons of bulk grain moved by PMA, and about 100,000 additional tons by commercial agencies. The PMA portion was about 54 million bushels. Branch operators of the program are confident that the 1948-49 total wheat and flour exports will be about 500 million bushels, plus close to 200 million of other grains.

(*) Officials are optimistic as to the fortunes of the International Wheat Agreement. They comment that at the "go-off", 29 countries signed this year as compared with only seven last year, and that commercial agencies seem satisfied with some angles to which they objected last year.

This has been a "poor" drying year for corn, with considerable high-moisture corn--as high as 20 to 30 percent--reported in some parts of the Corn Belt. This situation may induce heavier feeding of high moisture corn, and the carryover of corn may not be as big as the 600 to 700 million bushels variously estimated this season.

Branch technicians report rapid progress on work preparatory to acreage allotments on 1950-crop wheat--if and when determined. The "sticker" is the question of credit for war crops.

POULTRY BRANCH

The Poultry Branch has been invited by the Office of Information to take part in a 5-minute movie dealing with the consumer side of the egg question--what kind of eggs to buy and how to buy them. The movie will be prepared as part of a series which is being contemplated for various agricultural commodities. The series will be made available to television stations throughout the United States for fill-in use on programs devoted to farm topics. The "egg" movie, as yet without title, will tell the story of how the housewife should buy eggs and how she should keep them. It will touch upon egg weights and grades and the advantage of buying according to grade. The Information Branch is cooperating with the Poultry Branch on the preparation of the script.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

POULTRY BRANCH (Cont'd.)

Dried egg purchases for price support purposes fell off materially last week, reflecting a generally strong position in the market. Purchases amounted to 3,437,280 pounds with cancellations at 538,839 pounds, leaving the net total buy for the year so far at 32,540,507 pounds as compared with the May-December total last year of 28,440,982 pounds.

Approximately 1,600,000 pounds of dried eggs purchased for price support last year have been sold by the Branch for use under the U. S. Army-ECA Bi-Zone Program. With the sale, total disposition of the supply purchased for price support last year now amounts to 9,140,765 pounds.

FATS AND OILS BRANCH

Peanut producers are planning to hit their 1949-crop marketing quota of 850,000 short tons right on the nose. March report showed intentions to plant 3,175,000 acres for all purposes this year. About 2,585,000 acres would be utilized for picking and threshing, assuming usual relationship between acreages planted for all purposes and those picked and threshed, This is 1.7 percent less than the national allotment of 2,628,970 acres, but with 1942-46 average yields about 850,000 short tons would be picked and threshed. Big problem is whether this quantity can be moved without loss to CCC, in view of current domestic and export demand conditions.

A somewhat different "intentions" situation applies to flaxseed. March report showed intentions to plant 4,713,000 acres--or approximately 56 percent above the goal. However, these intentions may be modified by issuance of price support schedules on March 30 (after intentions were reported) which put support at $3.99 a bushel (Minneapolis basis) for No. 1 1949-crop flaxseed, as contrasted with $6 last year.

COTTON BRANCH

PMA officials in the cotton area will soon go to the field in an effort to obtain crop acreage data necessary in determining future farm cotton and wheat acreage allotments. There has not been a cotton allotment since 1943. As a result, county offices lack information as to the crops planted by farmers since that time. With possible cotton allotments and quotas coming this fall, and acreage allotments on wheat possibly earlier, this information will be needed to help set up allotments if they are needed.

Farmers will report acres planted in 1945 through 1949, and for 1941. Even though legislation has been enacted to eliminate 1949 cotton acreage in determining future allotments, it is considered desirable to collect 1949 crop acreage information. This will assist in determining 1949 farm operating units. This information will also help the reporting farmer and county committee in determining current farm practices and the acreage of cropland on the farm.

DAIRY BRANCH

(*) There is no reason to fear that the butterfat support program will be thrown overboard if Congress approves the proposed farm program presented by Secretary Brannan last week. Although the Secretary said authority to support milk prices through direct payments to producers should be available this year, such a development would not mean the abandonment of existing support mechanisms.

(*) The proposed new program provides for the continued use of direct purchases by the Government as a means of price-support. Hence, production payments to producers, if required and if authorized for use in 1949, would be a supplemental support rather than a substitute for the current commitments to encourage storage of butter during the period of flush milk production.

Dairy Products Purchases

Butter: The Department last week purchased the entire offering of 130,240 pounds of U. S. Grade A creamery butter at 59 cents per pound, f.o.b. Missouri and Minnesota points.

Spray nonfat dry milk solids: Out of 11,005,880 pounds offered, the Department last week purchased 10,233,830 pounds packed in barrels and drums, at prices ranging from 11.90 to 12.00 cents per pound, f.o.b. Ohio, Vermont, Wisconsin, Minnesota, New York, Pennsylvania, California, Idaho, Indiana, Michigan, Kansas, Missouri, Illinois, North Carolina, Virginia, and Iowa points.

Roller nonfat dry milk solids: The Department last week purchased the entire offering of 4,143,475 pounds, packed in barrels and drums, at prices ranging from 10.20 to 10.50 cents per pound, f.o.b. Minnesota, New York, Kansas, Vermont, Wisconsin, Ohio, Illinois, Iowa, and Indiana points.

FOOD DISTRIBUTION PROGRAMS BRANCH

In connection with the effort to increase the consumption of eggs in April and in the first two weeks of May, Branch officials have asked restaurants, hotels, and dining cars to feature eggs in main dishes for luncheon and dinner, particularly during the first two weeks of May.

Recordings of plentiful foods spot announcements for radio use will be tried out in a group of selected cities in June. Area Offices of the Information Branch will handle them in the field on an experimental basis.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

FRUIT AND VEGETABLE BRANCH

Florida canners through March 26 had processed about 14 million boxes of grapefruit, as compared with 12,150,000 boxes at the same time last year.

Through April 1, intentions to file claims under the citrus fruit export program covered 330,138 boxes of oranges and grapefruit, 5,100 gallons of orange and grapefruit concentrate, and 8,341 cases of single strength citrus juices. Subsidy cost of this program to the Department would be $321,625.

Purchases of 1948 crop potatoes through April 5 total 71,015,954 hundredweight. Of this amount 2,505,376 hundredweight went to direct distribution; 19,589,492 to livestock feed; 28,507,143 to alcohol; 322,729 to export; 15,661,899 to flour; 3,457,242 to starch; 763,277 to dehydration; 88,990 to storage; and disposition of 119,806 hundredweight is as yet unreported.

Purchase of 1949 crop potatoes (all No. 2's, all in Florida) through April 5 totaled 83,554 hundredweight. Of this amount 59,435 hundredweight went to direct distribution and 24,119 hundredweight to livestock feed.

MARKETING FACILITIES BRANCH

The Branch last week petitioned the Interstate Commerce Commission to deny the request of certain railroads to suspend recently published reduced export rates on grain and other products and to suspend free time allowance (before demurrage charges start). The recently published rates soon to be effective and objected to by certain railroads, would place New York, Boston, and other North Atlantic ports on a competitive basis with Baltimore and Philadelphia. The railroads want present export rates maintained, which on export grain from Great Lakes Ports to Baltimore and Philadelphia is 1/2 cent per 100 pounds less than the rates on the same traffic to other East Coast Ports. The Branch expects the controversy to resolve into a test case to determine the propriety of maintaining differential export rates favoring Baltimore and Philadelphia.

As soon as April 1 estimates of grain production and storage stocks on hand are available, the Branch will estimate the volume of grain that will have to be transported this year. With a larger amount of grain stored in terminal warehouses than in previous years, and some indications that country elevators may be carrying more grain than usual, the pre-harvest movement of old-crop grain may be a serious problem.

For the first time in 3 years, shippers throughout the country predict a general decline in freight car requirements from the corresponding quarterly period the year previous. An over-all decrease in freight car requirements of 3 percent for the second quarter of this year compared with the same period in 1948.

SHIPPING AND STORAGE BRANCH

(*) Storage holdings have increased considerably in recent weeks. About 45 million pounds of dry milk and 50 million pounds of dried eggs already have been ordered to storage, and additional purchases are anticipated. There are approximately 104 million pounds of Mexican canned meat in warehouses awaiting outlets.

COMPLIANCE AND INVESTIGATION BRANCH

A complaint was filed charging Salvatore C. Maresca of Merrick, Long Island, New York., Maurice Kline and Sigmund Atlas, both of Long Beach, Long Island, N.Y., with conspiracy to defraud the United States Government in transactions involving potatoes purchased from CCC. A bail of $1,000 was fixed for each defendant. Maresca and Kline, president and secretary, respectively, of Eastern States Products Co., Inc., entered into a contract with CCC to acquire potatoes for dehydration and export. Atlas allegedly furnished funds to Maresca and Kline and acquired the potatoes as collateral and then allegedly disposed of them in commercial channels.

TOBACCO BRANCH

James E. Thigpen, Director of the Tobacco Branch, spoke before the Associated Tobacco Manufacturers at a meeting held in Hot Springs, Virginia, last Friday. He told the group that U. S. tobacco interests are facing a crucial test in their efforts to maintain export markets for tobacco. Basically, he said the difficulty is due to shortages of dollars in foreign countries. He said most of the foreign countries' dollar funds were exhausted during the war. While some countries have improved in production and sale of goods, they are still unable to earn enough dollars to buy what they would like from the U. S. So far, purchases of tobacco have been maintained reasonably well because of the effect which availability of tobacco products has had on the morale and output of workers; the efficiency and convenience of tax collections through sale of tobacco products and the possibility of relieving inflationary pressures by sale of tobacco products at high prices.

He said it seems reasonable to assume that effective domestic and foreign demand for tobacco in 1949 will be near the 1948 figure of 1,250 million pounds.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

Reserve
1.956
A2M584

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY

April 19, 1949

MIDWEST INFORMATION SUMMARY

To: PMA Offices, Midwest Area

From: Walter W. John, Chief, Information Branch, P.M.A., U.S.D.A.
Chicago, Illinois

Walter W. John

The Dairy and Poultry Inspection and Grading office here in Chicago is conducting a two day school in grading shell eggs Thursday and Friday of this week. Purpose of the school is to find and train men with some grading experience from which the Department can select qualified personnel to grade shell eggs in this area during the seasonal rush periods. It has been necessary many times in the past to "borrow" personnel from other areas.

Ed Small, who will be in charge of the school, says that persons who attend should have a good background in egg candling and grading work. The school will be held at the Fulton Market Cold Storage Company, 1000 Fulton Market, starting at 9:30 Thursday morning and winding up at 4:00 Friday afternoon.

* * *

Food Distribution Programs Branch is having a meeting at Oklahoma City, April 27, 28, and 29 to discuss its food trades program. Assistant Chiefs and food trades personnel from five area offices and representatives of the Washington office of FDPB as well as Information staff members from Atlanta and Dallas will attend. Floyd Tuchscher, Walter F. Patterson, and Charles Croghan will represent the Chicago office.

* * *

Woodrow R. Walton, director of the PMA Commodity Office at Kansas City, has been invited to speak at the annual meeting of Texas grain and feed dealers in Galveston, April 27. The speech which George Bradley, Chicago PMA Commodity office director, gave at the annual Farm and Home Week, Urbana, Illinois, was published in the March issue of Illinois Farm Economics.

* * *

All PMA offices in Chicago will come to work one hour earlier next Monday following Chicago's changeover to Daylight Saving Time next Sunday morning at 2:00 a.m.

GRAIN BRANCH

(*) The April crop report boosted wheat prospect estimates to a record supply figure this year--to more than 1.6 billion bushels. Branch officials who have traveled extensively abroad say it is fortunate that we can produce such fine crops in the United States, so as to take care not only of our own needs but of foreign requirements as well. This year we are exporting, bushel for bushel, as much wheat as the quantity going into human consumption in the United States--approximately 500 million bushels. Continuing big export demand is expected in 1950-51. Recent big crops will make it possible to resume conservation practices which have had to be postponed thus far on account of the food shortage situation abroad.

FATS AND OILS BRANCH

Markets are in the doldrums. Cotton oil sells for around 10-3/4 cents a pound, and soybean oil around 10-1/2. There has been practically no improvement in exports of fats and oils since the discontinuance of export allocations, principally because foreign countries are out of money. Some fats and oils men look for a burst of activity when new ECA funds become available.

FRUIT AND VEGETABLE BRANCH

Deliveries of potato flour through April 2 against an Army maximum requisition of 448 million pounds totaled approximately 269 million pounds.

Purchase of 1948 potatoes through April 12 totaled 71,945,419 hundredweight. Of this amount, 2,546,581 hundredweight went to direct distribution; 19,814,481 to livestock feed; 28,401,792 to alcohol; 324,240 to export; 16,301,645 to flour; 3,633,417 to starch; 763,277 to dehydration; 89,832 to storage; and disposition of 70,154 hundredweight is as yet unreported.

Purchase of 1949 potatoes through April 12 (all No. 2's, all purchased in Florida and Texas) totaled 93,785 hundredweight. Of this amount 62,135 hundredweight went to direct distribution and 31,650 hundredweight to livestock feed.

FOOD DISTRIBUTION PROGRAMS BRANCH

Consumer information about foods --including plentiful foods--will be given particular attention on a new half-hour television show sponsored by USDA. First show of the new series, which continues "Family Time" may be seen Thursday afternoon, April 21, between 4 and 5 o'clock on Station WTTG, Washington, D. C. The exact time of the show will be announced later. The show, which began February 24, formerly was televised at 8:15 p.m.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

DAIRY BRANCH

Reductions in the retail price of milk are reported in five milk marketing areas under Federal control, reflecting the seasonal price adjustments which have taken place in the minimum prices assured to producers under the formulas in effect in those areas. Another factor in the price drops is the lower price of manufactured dairy products on which many of the pricing formulas are based.

The home-delivered price of milk was reduced 1 cent a quart (to 18 cents) on April 1 in both the Clinton, Ia., and Quad Cities markets. The home-delivered price in Louisville, Ky., which was reduced 1 cent a quart on March 1, dropped from 21 cents to 20 cents per quart April 1. Retail prices in the Omaha-Council Bluffs area dropped 1 cent a quart March 29 to 18 cents for home-delivery and 17 cents for milk at the store. The new prices in the Cleveland area are now 18 cents and 17 cents a quart, respectively for home delivered and store retail milk prices following a 1 cent reduction April 1.

Following the announcement of the new support program for manufacturing milk, the Dairy Branch is sending notice to the industry of a change in the procedure for purchasing nonfat dry milk solids. Offers submitted on and after April 25, 1949, will be considered for acceptance only if the solids involved have been federally inspected and graded and are ready for delivery.

(*) Court Case: Hood v. Du Mond, New York -- On April 4, the U. S. Supreme Court handed down a decision to the effect that the action of the State authorities in New York in refusing to grant a license to the Hood Company to operate a plant in New York contravened the commerce clause of the constitution. The Hood Company intended to operate the plant for the purpose of purchasing milk for shipment to Boston; the New York authorities refused a license on grounds, among others, that it would tend to destroy competition and diminish the supply of milk in New York for New York consumers. While this case does not directly involve any Federal milk order, it is highly significant from the standpoint of State authority.

Dairy Products Purchases:

Butter: The Department last week purchased the entire offering of 233,187-1/2 pounds of U. S. Grade A butter at 59 cents a pound, f.o.b. Missouri, Wisconsin, and Minnesota points.

Spray nonfat dry milk solids: Out of 9,644,690 pounds offered, the Department last week purchased 9,163,190 pounds, packed in barrels and drums, at prices ranging from 11.95 to 12.00 cents per pound, f.o.b. Vermont, Ohio, Michigan, Minnesota, Wisconsin, Indiana, Kansas, Idaho, California, New York, Pennsylvania and Iowa points.

Roller nonfat dry milk solids: Out of 4,336,288 pounds offered, the Department last week purchased 3,590,288 pounds packed in barrels and drums, at a price range of 10.25 to 10.50 cents per pound, f.o.b. New York, Pennsylvania, Kansas, Minnesota, Wisconsin, Vermont, Ohio, Iowa, Indiana, and Michigan points.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

POULTRY BRANCH

Purchases of dried eggs for price support fell off substantially for the second consecutive week. The generally strong market position which has maintained the past couple of weeks accounts for the drop. Purchases amounted to 2,673,003 pounds. Cancellations amounted to 265,460 pounds, leaving the total price support "buy" for the year at 34,948,050 pounds. This compares with the May-December total last year of 28,440,982 pounds.

MARKETING FACILITIES BRANCH

Regional hearings in the over-all freight rate case involving proposed increases totaling 13 percent have been concluded. The present schedule provides only for the filing of briefs on May 2, and oral argument commencing May 16. However, it is generally believed that there will be another hearing at Washington, D. C., early in May to permit parties of interest to enter rebuttal testimony.

The Interstate Commerce Commission has denied a petition filed by the Branch concerning rates to equalize New York and Boston with Baltimore and Philadelphia on "ex-lake" grain for export. Also involved was the question of increasing the free time allowance from 10 to 20 days to the Port of New York. The entire matter has been set for hearing May 10 in Washington, D.C. A member of the Branch will appear at the hearing in support of the equalized rates and free time, which greatly affect the cost to the Commodity Credit Corporation of export grain program.

The embargo on the movement of bulk grains to the port of New Orleans for export is still in effect. Embargo was made effective last Saturday as the result of heavy accumulations of cars at the port, held back for lack of sufficient bottoms to lift the grain. Recent grain embargoes on the Pacific Northwest ports of Seattle and Portland were lifted April 11.

Refrigerator cars recently have become more plentiful in all loading districts. There was a 2-day buying holiday declared by the Government on potato purchases so that more refrigerator cars could be made available for commercial and seed stock shippers to provide them an opportunity to catch up on back orders.

The Office of Defense Transportation announced last week that its General Order ODT 18-A, minimum loading order for carload freight, will remain suspended until June 20, 1949. Also suspended, effective April 16, were two other orders, General ODT-I, Minimum Loading Order for LCL, and General Order ODT 16-C, which maintains control on carload shipments moving to ports for export.

Reserve
1.956
A2M584

UNITED STATES DEPARTMENT OF AGRICULTURE
PRODUCTION AND MARKETING ADMINISTRATION
Information Branch
623 South Wabash Avenue
Chicago 5, Illinois

FOR ADMINISTRATIVE USE ONLY April 27, 1949

MIDWEST INFORMATION SUMMARY

LIBRARY CURRENT SERIAL RECORD AUG

To: PMA Offices, Midwest Area

From: Walter W. John, Chief, Information Branch, P.M.A., U.S.D.A., Chicago, Illinois

Walter W. John

Are you keeping up with the list of plentiful foods issued each month by the Food Distribution Programs Branch? This list tells you what's most plentiful. These foods usually offer consumers more for their dollar than alternative foods which are less plentiful.

Plentiful foods for May in the Midwest include the following protein foods: eggs, broilers and fryers, processed dairy products, dry beans and peas, peanut butter, and fresh and frozen fish. On the vegetable side are carrots, onions, Irish potatoes, canned corn, and the lower grades of canned peas. Plentiful fruits are down to three -- oranges, canned citrus juices and grapefruit sections, and dried prunes and raisins. Other foods to complete the list are oatmeal, corn products, and honey.

A special promotion is being given to eggs during the first two weeks of May because this is the time of year when they are the most abundant. You should find these and the other plentiful foods somewhat lower than comparable foods which are not plentiful.

* * *

Grains Plentiful Too!

BAE's report of last Monday on the stocks of grains on hand April 1 show that the Nation's bins are bulging. Corn stocks of 1,833,000,000 bushels were the largest on record and more than double stocks on hand April 1, 1948. Stocks of oats and barley were second largest in history.

With disappearance of wheat during the last quarter considerably smaller than in previous years, stocks of this grain total 576,000,000 bushels in all storage positions on April 1.

POULTRY BRANCH

Dried egg purchases for price support gained rather heavily last week to reflect post-Easter weakness in egg prices at terminal markets. The total buy of dried eggs was 4,305,379 pounds, with cancellations at 678,421 pounds for the week. Total purchases for the year so far now amount to 38,575,008 pounds.

Official specifications for poultry standards and grades of the United States and Canada were combed last week by Poultry Branch and Canadian Department of Agriculture representatives in furthering the task of establishing international uniformity in the grading of poultry products. R. W. Neely, Assistant Director of Marketing Services, and E. D. Bonnyman, Poultry and Production Services, of the Canadian Department of Agriculture worked with Poultry Branch representatives in connection with the poultry specifications. No basic changes are expected to result in the standards and grades now officially used in either country, although Branch officials point out that there will be slight changes in arrangement and definition of the U. S. and Canadian poultry standards and grades to permit more uniform interpretation. The next step will be work on specifications for standards and grades for shell eggs. This will be followed by a study of possible changes in standards and grades for dried and frozen eggs.

GRAIN BRANCH

(*) Discussions at last week's Grain Branch staff meeting ranged from rumors of imports of rye, barley, oats, and dry beans from Canada, to the possibility of a June maritime strike that would hamper our own grain export program. Staff members were instructed to obtain all possible authentic information of rumored imports, and foreign buying missions are being informed of the possibility of retarded U. S. grain exports, particularly for countries where current stocks of grain are being allowed to run down.

Assistant Branch Director William McArthur reported that on a recent trip in Kansas he noted a number of new concrete and steel elevators, and saw quite a few new "Quonsets" and "roundtops" on farms. He said it was a "revelation to see the development of storage in Kansas."

(*) Docket has been completed on new rates under the uniform grain storage agreement, and a supplement containing all details will be available soon. The new rates are about the same as last year's.

COTTON BRANCH

Loan entries of 1948-crop cotton reported to CCC for the season through April 14 totaled 5,073,800 bales, with repayments amounting to 703,700 bales, leaving loans outstanding on about 4,370,200 bales.

Domestic consumption of cotton totaled 721,000 bales during March. Mill consumption in February was 640,900 bales and in March a year ago 880,000 bales. Consumption for the first 8 months of the current season totaled 5,565,000 bales. This is about 746,000 bales or 12 percent less than in the corresponding period last season. Rate of consumption during March averaged 31,300 bales per working day.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

COTTON BRANCH (Cont'd)

Exports of cotton from the United States during February amounted to 497,000 bales making a total of 2,381,000 bales for the first seven months of the current season. If exports should continue at the same rate as during the past four months, a total in excess of four million bales would be realized for the 1948-49 season, compared with 1,968,000 bales last season.

FOOD DISTRIBUTION PROGRAMS BRANCH

Representatives of food trades will meet with Branch officials from the Washington office, food trades representatives from all PMA Area Offices, and several Area Information Chiefs, in Oklahoma City, April 26-29. Purpose of the meeting is to discuss methods of expanding and intensifying the plentiful foods program, and to secure cooperative assistance from non-food advertisers, press, radio and television.

A purchase announcement has been issued for 12 million pounds of honey. The honey will be distributed to schools and eligible institutions throughout the United States. Distribution is proceeding on 50 carloads of cabbage purchased in Louisiana and 75 carloads purchased in Georgia.

MARKETING FACILITIES BRANCH

The report on the St. Louis wholesale market is in final stages of preparation. In the report the Branch recommends building a new market which would require about 70 acres and would include facilities for 80 wholesalers of fresh fruits and vegetables and 24 poultry and egg dealers. Sheds with stalls for use of farmers and truckers and a parking space for 100 trucks also would be provided. The proposed market would cost from $5 to $7-1/2 million depending upon the site selected.

The Interstate Commerce Commission has ordered still another hearing in Ex Parte 168 (over-all freight rate increase case) at Washington, D. C., May 13. Rebuttal testimoney only will be presented, but an oral argument will follow on May 16.

Last week the ICC recommended that rail carriers in the Eastern Territory continue to furnish, at reasonable cost, protective service against cold for apples in the territory east of Chicago. This recommendation followed closely those made by the Branch at recent ICC hearings.

DAIRY BRANCH

(*) Detailed plans have not yet been formulated on just how the proposed "production payments" to farmers might be related to the operations of the milk marketing agreements and orders now in effect in 30 milk marketing areas. It is significant, however, that Secretary Brannan declared in his message to Congress that "the production payment authority should be so written as to allow it to be used as a supplement to our milk marketing agreements and orders." And Dairy Branch officials point out that the two programs are consistent and can work together to good advantage.

(*) Contents of starred pargraphs should not be used in anystatements to public or trade.

DAIRY BRANCH (Cont'd)

(*) For a good grasp of the situation, it is necessary to review briefly, the major functions of the marketing agreements and orders. They serve to assure a pure and wholesome supply of milk in the fluid markets at reasonable prices to producers. The pricing formulas employ price differentials, generally varying seasonally, as incentives to encourage a level of production appropriate to year-round market demands for fluid milk. These prices, exp ressed as minimum prices to be paid by handlers to producers, are maintained at reasonable levels by basing them on economic factors which affect the supply and demand for milk.

(*) The marketing agreements and orders by themselves, of course, do not operate solely toward an objective of providing dairy farmers with an income that will meet a certain fixed standard, as contemplated under the production payment plan. On the other hand, the production payment method of price support by itself will not operate to provide a pure and wholesome supply of milk in fluid markets. Thus, the two programs could supplement each other.

(*) But how can prices seek their own level, as envisioned under the production payment method, if pricing formuls remain in effect? Here it should be pointed out that prices have a means of seeking their own levels even under milk marketing agreements and orders. That is, the majority of the pricing formulas now operating under Federal orders are tied to the price of manufacturing milk in the unregulated market. When the prices of manufacturing milk go up and down, along with the prices of manufactured dairy products, the basic price in the pricing formula of a given Federal order also goes up and down.

(*) The basic price under a Federal order is t he price paid for milk going into manufacturing uses. It is to this basic price that differentials are added for pricing milk for fluid uses. Fluid milk warrants a higher price because (1) production standards to meet health requirements are more exacting and (2) price incentives must be provided to assure dependability on a day-to-day basis in the milk supply for urban markets, especially during the months of short supply.

(*) Thus, the two programs would operate harmoniously on the basis of allowing manufacturing milk to seek its own level in the market place, with differentials to assure an appropriate level of production for fluid uses, and production payments above the average price level to provide farmers with a standard income. Then, if it were determined that production payments were encouraging production of milk for fluid uses, the need for price differentials would lessen and the differentials would be reduced accordingly.

Dairy Products Purchases:
Spray nonfat dry milk solids: The Department last week purchased the entire offerings of 12,564,650 pounds at 12.00 and 12.25 cents per pound, f.o.b. vendor's plant or warehouse, packed in barrels and drums.

Roller nonfat dry milk solids: The Department last week purchased the entire offerings of 6,751,025 pounds at 11.00 cents per pound, f.o.b. vendor's plant or warehouse, packed in barrels and drums.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

DAIRY BRANCH (Cont'd)

Butter: The Department last week purchased the entire offerings of 497,309 pounds of U. S. Grade A butter at 59 cents per pound.

FRUIT AND VEGETABLEBRANCH

Because of earlier freeze conditions, Texas shipped no grapefruit by rail last week, compared with 1,000 cars shipped in the corresponding week last year. Estimates of the coming season citrus crop in Texas run at only one-quarter of normal, also because of the freeze.

Under the dried fruit price support program, Commodity Credit Corporation has purchased to date 63,795 tons of dried prunes and 59,821 tons of dried raisins. Of this amount, disposition has been made through the School Lunch Program and institutions of 3,381 tons of prunes and 4,483 tons of raisins. Distribution through ECA has amounted to 30,528 tons of prunes and 28,075 tons of raisins, to Ireland, the United Kingdom, and Austria. CCC still holds uncommitted stocks of 29,885 tons of prunes and 27,262 tons of raisins.

Under the dried fruit export subsidy program which terminated March 31, 1949, exporters have reported movement abroad of 5,325 tons of dried prunes and 3,960 tons of dried raisins. Subsidy on the prunes will approximate $238,586 and on the raisins $163,384.

Purchase of 1948 potatoes through April 19 totaled 72,920,184 hundredweight. Of this amount 2,601,627 hundredweight went to direct distribution, 20,142,244 to livestock feed; 28,403,075 to alcohol; 325,426 to export; 16,853,355 to flour; 3,719,426 to starch; 763,277 to dehydration; 57,102 into storage; and disposition of 54,652 hundredweight is as yet unreported.

Purchase of 1949 potatoes (in Florida and Texas) through April 19 totaled 127,780 hundredweight. Of this amount, 72,275 hundredweight went to direct distribution; 52,145 to livestock feed; and 3,360 to flour.

LIVESTOCK BRANCH

(*) With the recent decline in hog prices, reference has been made, specifically in some radio news broadcasts and newspapers to hogs selling below the support price at Chicago. The Branch points out that the support prices at Chicago as announced are average levels. This means that heavier or normally lower-priced hogs would sell below the support prices before the average of all prices would reach the support level.

(*) For the week ended April 16, the weekly average of daily quotations at Chicago for Good and Choice barrow and gilt butcher hogs ranged from $19.60 for 160-to 180-pound hogs to $18.30 for270- to 300-pound weights. Average of all weights for the same week was $18.92. The 90 percent of parity average support price for the same week was $16.75, and the margin between this level and the average market price was $2.17. From mid-April to mid-May the support is $16.50.

(*) Contents of starred paragraphs should not be used in any statements to public or trade.

DAIRY TRADE: (Cont'd)

Butter: The Department last week increased the export offering of 487,300 pounds of U. S. Grade A butter at 38 cents per pound.

FRUIT AND VEGETABLES:

A number of warmer Pacific coast conditions, Texas shipped no cantaloupes by rail last week, compared with 1,00 cars shipped in the corresponding week last year. Delivery of the earlier season citrus crop in Texas ran at only one-quarter of normal, also because of the freeze.

Under the dried fruit price support program, Commodity Credit Corporation has purchased to date 25,756 tons of dried prunes and 22,221 tons of dried raisins, of a total amount, disposition has been made through the School Lunch program and inventory of 3,381 tons of prunes and 1,255 tons of raisins. Marketings through CCC has amounted to 20,658 tons of prunes and 20,275 tons of raisins, in Ireland, the United Kingdom, and Australia. CCC still holds uncommitted stocks of 22,238 tons of prunes and 22,238 tons of raisins.

Under the dried fruit export subsidy program which terminated March 31, 1958, exporters have reported export sales of 2,458 tons of dried prunes and 4,250 tons of dried raisins. Subsidy on the prunes will approximate $288,288 and on the raisins $125,062.

Purchases of land potatoes through April 15 totaled 72,820,184 hundredweights, of this amount 8,014,727 hundredweight went to direct distribution, 52,142,314 to livestock feed; 12,025,075 to alcohol; 358,422 to export; 16,807,485 to flour; 3,718,450 to starch; 182,277 to dehydration; 27,102 into canned and dehydration of 44,232 hundredweight is as yet unreported.

Purchases of 1958 sweets (in Florida and Texas) through April 15 totaled 127,720 hundredweight. Of this amount, 72,272 hundredweight went to direct distribution; 22,142 to livestock feed; and 3,320 to flour.

INTERCOM TRADE:

(*) With the recent decline in hog prices, reference has been made, from Illinois or some other Midwestern breedgrowers and manufacturers to hogs selling below the support price at Chicago. The reason notes that the net price received at Chicago on the transported was always a level. This means that farmer or marketing cooperatives would sell below the support price less the expense of delivery of hogs would reach the producer level.

(*) For 2 to wk ended April 16, the weekly average of daily quotations of Chicago for good and Choice barrow and gilt butcher hogs ranged from $18.60 for 180-to 120-pound hogs to $19.30 for 270- to 300-pound weights. Advances of all weights for the week were $20.30. The 20 cents of property average supports price for the same week was $18.70, and the margin between the Iowa and the average market price was $1.60. Price differential to allow the support is $13.60.

(*) Comments of interest correspondence should not be used in any statements to publication media.

LIVESTOCK BRANCH (Cont'd)

(*) The average price for the week ended April 16, for 270-300 pound hogs was $18.30...about 62 cents below the average of all weights. Hogs over 300 pounds were still lower priced. The differences between prices of different weights are not constant. They vary with market conditions, with relative supplies of different weight hogs, and with demand for different types of pork products. Support operations are not being planned to maintain a rigid relationship between prices of different weight hogs. The Branch also points out that the support applies to barrows and gilts but not to sows.

(*) As the program stands at present, purchases of pork products would be used to support hog prices.

(*) The Branch does not feel that the present method of support would be too satisfactory, either to producers or consumers. It would be extremely difficult to assure all producers the 90 percent support by purchase of pork products. Hog prices couldn't be maintained at support levels throughout the country without holding average market prices somewhat above the support levels provided by law. Hogs are sold by farmers at hundreds of points and differentials between markets are constantly changing.

(*) The Department is recommending that the payment provision provided in the Agricultural Act of 1948 be authorized for the remainder of this year. Under this method, hog prices would vary with supply and demand conditions, and if prices dropped below the average support level, a production payment would be made---amounting to the difference between the average price received by farmers and the support price.

* * *

(*) Contents of starred paragraphs should not be used in any statements to public or trade.